

OLL 84-3689
18 October 1984

MEMORANDUM FOR THE RECORD

SUBJECT: Testimony of the Director of Personnel on
H.R. 5805, the Mazzoli Former Spouse Bill

25X1 1. On 12 September 1984 at 10:00, the Subcommittee on Legislation of the House Permanent Select Committee on Intelligence held a closed hearing on H.R. 5805, Chairman Mazzoli's bill to provide retirement benefits to former CIARDS spouses. In his opening statement, Chairman Mazzoli indicated that the 1982 Spousal Equity Act recognized the special service that CIARDS spouses performed. However, this 1982 act applied prospectively and consequently created an inequity with regard to CIARDS spouses divorced prior to 1982. Following Mazzoli's open statement, Representative Pat Schroder (D-Colorado.) gave a brief statement to the effect that the 1982 spousal legislation was only a partial solution and that Mazzoli's bill was an appropriate remedy for the inequities of the 1982 act. Representative Schroder noted similar legislation for Foreign Service former spouses had been proposed in H.R. 5598.

25X1 2. Following Representative Schroder, Jack Blake, former DDA and former Staff Director for the SSCI, testified. Mr. Blake agreed that the principle had already been established that CIARDS former spouses deserved the relief contained in the spousal legislation. Mr. Blake stressed two additional points. First, most of the CIA's spouses who were divorced prior to 1982 would be those spouses who had served on comparatively difficult tour of duties such as Viet Nam. Second, the sanitary and health conditions around the world prior to 1982 were much worse than they are now. As a consequence, Mr. Blake felt that the health benefits provision in H.R. 5805 is necessary for CIARDS former spouses. Chairman Mazzoli asked whether as a tax payer Mr. Blake would have a problem with seeing Government funds expended in the fashion contemplated in H.R. 5805. Mr. Blake responded that he would not have a problem. In his estimation, it was a question either the grant contemplated under H.R. 5805 or welfare for many of these CIA former spouses.

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4. At this point in the testimony Chairman Boland appeared at the hearing. Mr. Boland said that the Mazzoli bill would correct an apparent inequity in the 1982 Act and that the legislative history on the 1982 Act clearly indicated that the treatment of spouses divorced prior to 1982 would be revisited at some time in the future.

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5. The last witness was Robert W. Magee, Director of Personnel for the CIA. Mr. Magee submitted his statement for the record and summarized briefly from it. Mr. Mazzoli asked whether or not Mr. Magee would be able to locate the former spouses that would fall under the bill. Mr. Magee indicated that we would locate these people. Following this question, Mr. Magee stated his pleasure at being able to endorse the contributions of CIARDS former spouses and his wish to work with the Committee in this regard and on other CIA personnel matters.

Office of Legislative Liaison

C O N F I D E N T I A L

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Distribution:

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25X1 OLL/LEG/SWH:sm, (18 October 1984)

TESTIMONY OF
ROBERT W. MAGEE
CONCERNING H.R. 5805
BEFORE THE
LEGISLATION SUBCOMMITTEE
OF THE
HOUSE PERMANENT SELECT COMMITTEE ON INTELLIGENCE

12 SEPTEMBER 1984

10:00 A.M.

CAPITOL H-405

MR. CHAIRMAN, MY NAME IS ROBERT W. MAGEE. I AM THE DIRECTOR OF PERSONNEL FOR THE CENTRAL INTELLIGENCE AGENCY (CIA). I HAVE HELD THIS POSITION SINCE AUGUST 1983. PRIOR TO THAT TIME, I SERVED IN THE DIRECTORATE OF OPERATIONS, SO I AM VERY FAMILIAR WITH THE CONTRIBUTION OF CIARDS SPOUSES.

I HAVE LISTENED CLOSELY TODAY TO THE TESTIMONY OF THE WITNESSES. AT THE OUTSET, I WOULD LIKE TO EMPHASIZE THAT THE CIA RECOGNIZES AND APPRECIATES THE CONTRIBUTION THAT SPOUSES MAKE AND HAVE MADE TO THE AGENCY'S MISSION OVERSEAS. WE HAVE ALWAYS FELT THAT OUR EMPLOYEES PERFORM A SPECIAL AND UNIQUELY VALUABLE FUNCTION FOR THE UNITED STATES. I BELIEVE THAT THE TESTIMONY YOU HAVE HEARD TODAY PROVES THAT THE SPOUSES OF OUR EMPLOYEES MAKE AN IMPORTANT CONTRIBUTION TO THIS MISSION.

TODAY, I WOULD LIKE TO ADDRESS THE POTENTIAL IMPACT OF H.R. 5805 UPON THE AGENCY AS WELL AS THE SUCCESS WE HAVE HAD UNDER THE EXISTING CIA SPOUSES' RETIREMENT EQUITY ACT.

THE CIA SPOUSES' RETIREMENT EQUITY ACT OF 1982 IS A GOOD PIECE OF LEGISLATION. IT SATISFIES SOME IMPORTANT NEEDS OF INDIVIDUALS WHO MADE A VALUABLE CONTRIBUTION TO OUR AGENCY. BECAUSE OF THE COVER AND SECURITY REQUIREMENTS THAT WE MUST FACTOR IN, IT WAS A DIFFICULT LAW TO ADMINISTER AT FIRST. HOWEVER, WE'VE BEEN WORKING WITH THE '82 ACT AND GETTING

BETTER. I THINK THAT THE PROCEDURES WE'VE IMPLEMENTED ARE HELPING TO ENSURE THAT INDIVIDUALS ENTITLED TO BENEFITS UNDER THIS LAW ARE RECEIVING THEM.

WITH RESPECT TO THE IMPACT THE ANNUITY BENEFITS PROVISION OF H.R. 5805 WOULD HAVE ON THE CIA, THE AGENCY UNFORTUNATELY DOES NOT HAVE RECORDS THAT WOULD PROVIDE FOR AN ACCURATE ESTIMATE OF THE NUMBER OF CIA FORMER SPOUSES WHO WOULD BE ENTITLED TO AN ANNUITY BENEFIT UNDER THIS BILL. A BALLPARK GUESS IS THAT AS MANY AS 200 TO 300 INDIVIDUALS COULD POTENTIALLY QUALIFY. MULTIPLYING THIS NUMBER BY THE APPROXIMATELY \$7,400 PROVIDED UNDER H.R. 5805 WOULD RESULT IN AN ANNUAL COST OF BETWEEN \$1.5 TO \$2.2 MILLION. ON THE QUESTION OF RETROACTIVE BENEFITS, HOWEVER, WE DEFER TO THE OFFICE OF PERSONNEL MANAGEMENT (OPM), WHICH ADMINISTERS THE GOVERNMENT'S MAJOR RETIREMENT PROGRAMS AFFECTING MOST GOVERNMENT EMPLOYEES.

IN RESPONSE TO THE QUESTION ON POSSIBLE IMPLEMENTATION, AS WITH THE 1982 ACT, THERE ARE A NUMBER OF WAYS TO PUBLICIZE THE BENEFITS OF ANY NEW LEGISLATION. UNDER THE 1982 ACT WE INITIALLY PUBLISHED A SERIES OF NOTICES AND FIELD CORRESPONDENCE TO EMPLOYEES AND FORWARDED LETTERS TO RETIREES ADVISING THEM OF THE PROVISIONS OF THE ACT. THESE AND OTHER MECHANISMS TO NOTIFY AND SOLICIT THE NAMES OF INDIVIDUALS WHO

MIGHT BE AFFECTED UNDER ANY NEW LEGISLATION WOULD BE AVAILABLE. ADDITIONAL NOTIFICATION PROCEDURES, CONSISTENT WITH OUR COVER AND SECURITY REQUIREMENTS, COULD BE DEVELOPED.

TURNING TO THE IMPACT OF THE HEALTH BENEFITS PROVISION OF H.R. 5805 ON THE CIA, ONCE AGAIN, WE LACK ADEQUATE RECORDS TO IMPLEMENT THIS BENEFIT FULLY. H.R. 5805 AS WRITTEN APPLIES TO ALL FORMER CIA SPOUSES WHO IMMEDIATELY BEFORE THE DIVORCE OR ANNULMENT WERE COVERED UNDER A FEDERAL EMPLOYEES HEALTH BENEFITS PROGRAM (FEHBP) PLAN AND WHO WERE MARRIED TEN YEARS TO ANY AGENCY EMPLOYEE WITH AT LEAST FIVE YEARS OF THE MARRIAGE SPENT OUTSIDE THE UNITED STATES. USING THIS DEFINITION, THERE WILL BE MANY FORMER SPOUSES WHOSE HUSBANDS/WIVES ARE NO LONGER AGENCY EMPLOYEES, MUCH LESS PARTICIPANTS OF A SINGLE HEALTH INSURANCE PLAN. SOME OF THESE INDIVIDUALS WILL HAVE RETIRED AND SOME WILL HAVE LEFT FOR OTHER EMPLOYMENT.

PUTTING ASIDE OUR ADMINISTRATIVE PROBLEMS, HOWEVER, WE UNDERSTAND THAT THE HOUSE POST OFFICE AND CIVIL SERVICE AND SENATE GOVERNMENTAL AFFAIRS COMMITTEES ARE BOTH CONSIDERING LEGISLATION THAT WOULD EXTEND FEDERAL EMPLOYEES HEALTH BENEFITS PROGRAM (FEHBP) COVERAGE TO FORMER SPOUSES OF FEDERAL EMPLOYEES ON A GOVERNMENT-WIDE BASIS. WE RESPECTFULLY REQUEST, THEREFORE, THAT YOUR COMMITTEE DEFER ACTION ON THE HEALTH BENEFITS PROVISIONS IN H.R. 5805 UNTIL THE ACTIONS OF THESE COMMITTEES ON A GOVERNMENT-WIDE BASIS CAN BE REVIEWED.

I WANT TO MAKE CLEAR THAT WE HAVE IDENTIFIED THESE PROBLEMS RELATED TO RECORDS TO ASSIST YOUR COMMITTEE, MR. CHAIRMAN. WE BELIEVE THAT IT IS IMPORTANT FOR YOU TO UNDERSTAND THE CURRENT LIMITATIONS OF OUR RECORDS. AT THE SAME TIME, I WOULD LIKE TO PLEDGE OUR COOPERATION TO WORK WITH YOUR COMMITTEE AND THE ADMINISTRATION ON FORMER SPOUSES' ISSUES.

IN CLOSING, MR. CHAIRMAN, I COMMEND YOUR SUBCOMMITTEE FOR ITS SUPPORT FOR THE CIA AND THE FORMER SPOUSES OF CIA EMPLOYEES.

I HOPE THAT MY REMARKS HAVE BEEN HELPFUL TO YOU.

THANK YOU, MR. CHAIRMAN.

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